

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of  
Tuesday, December 7, 2004

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Bridge, Commissioner Garvin, and Commissioner Meyer.

**Minutes**

The Commission approved the minutes of the Open Meetings of Tuesday, November 23, 2004 and Tuesday, November 30, 2004.

**50-ER-104 – Application of the City of Algoma, Kewaunee County, as an Electric Public Utility, for Authority to Increase Electric Rates**

The Commission approved a Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**455-WR-100 – Application of Beloit Water Utility for Authority to Change Fire Protection Rates in the Town of Beloit**

The Commission approved a Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**2000-CE-101 – Application of the Town of Florence, as an Electric Public Utility for Authority to Purchase and Install a New 7.5 MVA, 69-12.47 kV Transformer and Associated Equipment in Its Existing Substation, in the Town of Florence, Florence County**

The Commission approved a Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**6680-GF-105 – Wisconsin Power and Light Company's (Alliant Energy) Gas Cost Recovery Mechanism, Reported Actual Results (Original Docket 6680-UR-110, and Revised in Docket 6680-UR-111)**

The Commission directed Wisconsin Power and Light Company to refund to its customers \$3,572,740 of gas costs savings derived from the utility's incentive gas cost recovery mechanism for the period January 1, 2001 – October 31, 2003. The Commission authorized Wisconsin Power and Light Company to refund to its customers \$5,951 of funds received from the Northern Natural Gas Company as a result of a refund of the Kansas Ad Valorem Tax.

The Commission directed Wisconsin Power and Light Company to submit a report to the Commission, summarizing the total dollars refunded to its customers, including the partial refund of incentive savings authorized earlier this year, and showing refunds by type, by rate class, by month, once the refund process is complete.

The Commission directed the Gas and Energy Division to draft an order consistent with this decision.

**6690-GF-107 – Wisconsin Public Service Corporation Request for Authorization to Defer the 2005 Revenue Requirement Impacts Resulting From the American Jobs Creation Act of 2004**

The Commission approved Wisconsin Public Service Corporation's request for deferral of the 2005 revenue requirement impacts resulting from the American Jobs Creation Act of 2004.

The Commission directed the Gas and Energy Division to draft an order consistent with this decision.

**3270-UR-113 – Application of Madison Gas and Electric Company for Authority to Change Electric and Natural Gas Rates**

The Commission discussed the record in this docket and directed the Gas and Energy Division to draft an order based on the following determinations:

1. The Commission authorized the company to record a regulatory asset in lieu of the debit to other comprehensive income related to the recognition of an additional minimum pension liability resulting from the under-funded position of the company's pension plan. The Commission directed it be filed by April 1.
2. The Commission determined a return on equity of 11.5 percent is reasonable. Commissioner Garvin dissented.
3. The Commission determined a reasonable interest rate for short-term borrowing through commercial paper is 3 percent.
4. The Commission authorized the tariff language changes proposed by the company except for the coincident demand billing change. Commissioner Garvin dissented

The draft order should be circulated to the Commissioners for review. A final order incorporating any modifications or additions suggested by Commissioners should be brought back to the open meeting for final review and approval by the Commission.

**05-EI-136 – In the Matter of the Application for All Approvals Necessary for the Transfer of Ownership and Operational Control of the Kewaunee Nuclear Power Plant From Wisconsin Public Service Corporation and Wisconsin Power and Light Company to Dominion Energy Kewaunee, Inc.**

No discussion held.

**6690-UR-116 –application of Wisconsin Public Service Corporation for Authority to Adjust Electric and Natural Gas Rates**

The Commission approved the rate design and directed the Gas and Energy Division to continue drafting the order.

**05-DR-104 – Joint Petition of the City of Green Bay, Wisconsin, and the Village of Ashwaubenon, Wisconsin, for a Declaratory Ruling and Related Approvals Necessary in Relation to the Wholesale Water Service Agreement**

No discussion held

**CLOSED SESSION – The Commission may recess the open meeting, go into closed session under Wis. Stat. § 19.85(1)(e), (f), and (g), and reconvene the open meeting pursuant to Wis. Stat. § 19.85(2).**

Commissioner Garvin moved, pursuant to Wis. Stat. § 19.85(1)(g), that the Commission convene in closed session to discuss litigation matters with legal counsel. Commissioner Meyer seconded the motion. The motion was carried. Voting in the affirmative were Chairperson Bridge, Commissioner Garvin, and Commissioner Meyer.

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Lynda L. Dorr  
Secretary to the Commission